

Minutes

Catawba County Board of Commissioners Special/Joint Session
with
the Three School Boards, CVCC Board of Trustees, and
the Citizen's Advisory Committee for School Facilities
Tuesday, June 25, 2002, 3:00 p.m.

Commissioners

Special Meeting 364 06/25/02

Schools

Discussion of recommendations by the Citizens Advisory Committee
for School Facilities 364 06/25/02

The Catawba County Board of Commissioners met in Special/Joint Session with the Three School Boards, CVCC Board of Trustees and the Citizen's Advisory Committee for School Facilities on Tuesday, June 25, 2002, 3:00 p.m. at the Agriculture Resources Center located at 1175 South Brady Avenue, Newton, North Carolina.

Present were Vice-Chair Marie H. Huffman, and Commissioners Katherine W. Barnes and Dan A. Hunsucker.

Absent: Chairman W. Steve Ikerd and Commissioner Barbara G. Beatty.

A quorum was present.

Also present were County Manager/Deputy Clerk J. Thomas Lundy, Deputy County Manager Steven D. Wyatt, Assistant County Manager Mick W. Berry, County Attorney Robert Oren Eades, and County Clerk Thelda B. Rhoney.

Catawba County School Board of Education members present:

Chair Betty Blackburn, J. V. Huffman, Jr., Kimberly Sherrill, and Charlie Wyatt. Also present Dr. Ann Hart, Ernest Williams, Jr., and Sonya Gordon

Hickory Public Schools Board of Education members present:

Chair Sarah Talbert, Robert Braswell, Joab Cotton, Vanessa Linebarger, Nancy Meek,
Also present Dr. Duane Kirkman and Jeff Mackie

Newton-Conover City Schools Board of Education members present:

Vice Chairman Edgar Gurley, Jr., Randy Isenhower, Sam McRee, Polly Pearson
Also present Dr. Will Crawford

Catawba Valley Community College Board of Trustees members present:

Glenn Barger, Iris Killian Barrett, D. Joe Long, Roxy Poovey, James Webb, and Alex Williams
Also present Dr. Cuylar Dunbar and Coy Hudson

Catawba County Citizens Advisory Committee for School Facilities members present:

Corky Upchurch and Ed Nolley, Co-chairs, Rita Busbee, Kathy Greathouse, Stine Isenhower, Khue Khang, Deborah McEachran, Marcus Midgett, Tracy Warlick, Lewis Woods, and Jean Yoder. (Dean Proctor and Phil Null were also present)

1. Vice Chair Huffman called the special/joint meeting to order at 3:00 p.m. She welcomed everyone and said the purpose of the special meeting was to discuss recommendations of the Catawba County Citizens Advisory Committee for School Facilities report. She thanked the committee for the report.
2. Catawba County Citizens Advisory Committee for School Facilities report:

Commissioner Barnes thanked everyone who worked on the report. She said there were no new projects she wasn't aware of two years ago. Unfortunately, the county finds itself in an economic downturn and she could not support putting a bond before the voters this November as it probably would not pass. She said her greatest fear was not the whether but how. She said she would like to learn of the critical needs of the three school systems. She said the list was only prioritized by the individual school systems and CVCC. There was no blended list or prioritized list for the entire county. She said she would like to see a schedule for building schools over an eight-

year period as that would play out in funding if you're selling bonds. She commended the citizens committee for its report. She asked if the committee could work on a priority list or if that was something the school boards could do?

Co Chair Corky Upchurch said members of the committee had a discussion about prioritizing and if they did that they would not have to start over completely. The committee felt it is important for the entire amount of \$121.7 million to be approved by some means instead of \$40, \$60, or \$80 million.

Dr. Kirkman said they have the needs listed for the schools that are in existence and those needs haven't changed. He said the projects and even the long-range plan could be extended. There is no change in the priorities.

Dr. Crawford said he saw no need to prioritize because the boards were in agreement with what they needed.

Dr. Hart said the last time they looked at their priorities was before the bond failure and their priorities haven't changed.

Mr. Tracy Warlick said the committee felt there was a prioritization because there was a timeline and it was the committee's contention that they didn't want to bring forth another bond referendum for \$60, \$70, or \$90 million because all of the school needs should be funded. He said what they heard from some of the groups was the general public was upset about coming back every 3-4 years and something needs to be set in motion now to carry the County for 5-7 years. In reality it may not carry 7 years but hopefully it would carry longer. He said this situation is like a moving train. He said there is not a great deal you can change because of state and federal laws. He said you can't send students from one school district to the other without 100 percent approval and he said that will unlikely never happen.

Mr. Warlick said when he became a member of the committee it was his intention to find ways to save money on things that didn't need funding, but he could neither find ways to save nor could he find projects that did not need funding. He said the problems are bigger than the committee has asked for and the county could use another high school other than Maiden. He said the committee felt the needs are there and they are real. He said cutting funding in the past equals where they are today. He said the county was already 2-3 years behind. He used an example of applying band-aids to fix the problem and we need to stop applying band-aids and begin to fix the problem.

Mr. Warlick said the money is the difficult part. He said the problems should have been solved 5 – 15 years ago. He said the needs are so great that you can't redesign schools and we are looking now at the 2006-2007 school years.

Vice Chair Huffman asked Finance Director Rodney Miller about dual-funded debt.

Finance Director Rodney Miller said a General Obligation bond issue could be combined with a Certificate of Participation (COPs) issue. He said for example, in the most recent bond referendum of \$80 million that failed, \$25 million in COPs could have been issued to pay for Maiden High School and the other \$55 million in General Obligation bonds. He said in the last several months COPs have been 10 – 15 basis points higher than general obligation bonds.

Commissioner Hunsucker asked if the committee looked at a merger.

Co-Chair Upchurch said there was no discussion about consolidation because that would be a political issue.

Mr. Lewis Woods said they didn't recommend consolidation but did recommend bonds to finance the school projects.

Mr. Warlick asked if consolidation would work. He said it might be a possibility, but no one could know with certainty. He said facility needs was a very large topic.

Ms. Sarah Talbert said four years ago the county commissioners brought in a team of experts to look at consolidation at a cost of \$50,000. The study revealed that consolidation was not feasible and was not educationally the best thing to do for the children as they were best served by the three school systems.

Commissioner Hunsucker asked about changes in a district system.

Dr. Hart said you can move within a district but you can't cross district lines.

Mr. Warlick said renovations at Fred T. Foard High School were approximately \$9 million and it would cost \$25 million to build a new high school.

Commissioner Barnes inquired if there was any discussion about a technical high school that would be centrally located?

Joab Cotton said there was not enough interest.

Dr. Hart said the three school systems are part of a magnet with CVCC and the students attend for half a day.

Co-Chair Upchurch said the committee mainly focused on facility needs and not curriculum.

Commissioner Barnes said she had received numerous phone calls about classroom space and not athletics.

Mr. Warlick said he was shocked when he visited Fred T. Foard High School because of the width of the halls and the size of the library. He said when you add classrooms you also add cafeteria space, offices, etc.

Dr. Hart said her board revised their goals where the money from bonds would only go to classrooms and media, not athletics.

Commissioner Barnes said administrative funding for facilities usually get \$1 million and funds have been cut for capital projects.

Mr. Stine Isenhower said prioritizing was very important. The committee proposed to prioritize various units because prioritizing all projects would be frustrating for the three school systems and CVCC. When the school systems used to come before the Board of Commissioners for capital needs and the board had to make decisions on which school system got the money and it was political. He said when he went to Raleigh there were numerous times cities and counties came asking for help to get people to come to their county because of empty schools. He said Catawba County is growing and in five years it will have an additional 3,100 young people to educate. He said the endeavor must remain positive and it is important to communicate the school needs to the people. He thinks the Board of Commissioners and the School Boards are the proper ones to prioritize. The funding issues can be addressed and he thinks the people of Catawba County want improvements to our schools. He also thinks bonds will not be issued until construction is started.

Vice Chair Huffman asked Mr. Isenhower if he thought a bond referendum today would pass?

Mr. Isenhower said it would be a challenge because of the difficult economic situation in Catawba County. He said people do not vote against schools and education but rather on their personal circumstances and what they believe the future holds for them.

Commissioner Barnes said she takes great pride in what the school systems have achieved with what they have to work with, but achievement can be even greater with adequate facilities.

Vice Chair Huffman and Randy Isenhour recommended that the PTAs get involved with recommending the bonds.

Ms. Sarah Talbert said when the bonds passed initially they did engage parents and the community.

Mr. Tracy Warlick said the business community and all citizens need to be involved. He said the economy is rough at this time. He said executives want good schools for their children. He said you do not let school bonds fail and get industries to come to your county. He said residential, industrial and commercial all go together. He said people like the Catawba County area because of the climate and accessibility to other places. If the facility needs are not addressed the economic development situation may not improve. He said we need more companies for our workers.

Ms. Debra McEacharn asked why the board was skittish about bonds and if they had thought about any other funding recommendations.

Vice Chair Huffman said they had discussed dual funding and the Committee said bonds were the most inexpensive way to fund the school needs.

Dr. Crawford said they asked Wake County for guidance. He said the Wake County Commissioners raised the tax rate and used the taxes for capital needs through bonds. He said they raised a source of revenue to retire bonds and the method may be considered along with a campaign. He asked if voters would approve \$122 million in bonds. He said the needs are there and we have the ability to solve the needs with methods but we must be willing to use the methods.

Commissioner Hunsucker asked about several smaller bonds?

Dr. Crawford said there is a need for approximately \$122 million and you may need to raise taxes. He said there is no way to start all the projects at once and you don't need all the capital at once. He said there are strategies that may prove to be successful.

Commissioner Barnes said other counties like Wake do not have an economic downturn with job loss like Catawba County. She said she had received numerous complaints from people on fixed incomes saying they can't bear anymore taxes. She said over 50 percent of the voters don't have students in school.

Ms. Sarah Talbert said the economy will not improve by ignoring school facilities.

Commissioner Barnes said another bond failure would set the schools back even further.

Ms. Talbert said the committee came to a consensus and were united to see this through. She said the school boards were committed and were asking the Board of Commissioners to be committed.

Mr. Warlick said he thinks it is better to ask for a large sum once instead of smaller amounts several times. He doesn't think the bonds failed over the dollar amount.

Commissioner Barnes said she thinks the last bond failed for a number of reasons. She said every board member was in favor of the proposed needs.

Mr. Charlie Wyant said he would support any type funding.

Commissioner Barnes said the three boards and CVCC were united in joining forces and it takes every entity working toward the goals.

Mr. Stine Isenhower said the last bond issue left a lot to be desired and the people felt it was slipped to them. He said you need unanimous support of all entities and concerns must be voiced to the public.

Mr. Randy Isenhour said in the last bond election, the citizens were not told how the money was to be spent. He feels it is best to not come back to the voters every two or three years.

Mr. Warlick said the voters have to get through the misconceptions. He said there were a lot of misconceptions during the last bond election because of immigration. He said if you have children someone paid for their education. He said you have to pay more regardless of being on a fixed income or not being able to pay any more. He said Catawba County is almost in the lowest tax rate in the region and if you go 50 miles in any direction you couldn't find a lower rate. He said we must have schools for our kids. He said it will take a concerted effort to pass and there needs to be a better campaign to the public. He said there are many rules and regulations pursuant to the general statutes and laws.

Mr. Stine Isenhower complimented the Board of Commissioners for appointing a committee to study school facility needs. He said the press had done a great job informing the public of the committee's report for the needs of our schools.

Vice Chair Huffman thanked the school boards and the committee. She said schools are not for just kids but they are for all citizens.

Dr. Hart thanked the Chamber of Commerce because their number one goal is schools and they will be active in the processes as everyone goes forward.

Commissioner Barnes requested that County Manager J. Thomas Lundy and Finance Director Rodney Miller look at general obligation bonds and support of the public. She said this process has been open to the county and has had open participation. She said there has been talk about COPs and other installment debt. Ms. Barnes said it will take time but the actions for the commissioners is to do a good job putting needs in order, looking at the property tax with a revaluation coming up, and to work with the public so they are aware of the needs.

Mr. Joab Cotton asked how much longer?

Commissioner Barnes said not by November.

Mr. Cotton said our timing is not good but the kids keep coming and what is the Board of Commissioners going to do?

Vice Chair Huffman said she personally could not see how the bonds could be on the ballot this year but perhaps next year.

Sarah Talbert asked when, next Spring or next Fall?

Commissioner Hunsucker said he would prefer that the bonds be brought up but it is not possible at this time because the board has had so many variables from the state.

Mr. Cotton asked for a blueprint, he said the election was coming up and then what after the election?

Vice Chair Huffman said she would not be on the board as she was not running for reelection but she would be committed.

Stine Isenhower said the state does affect counties. He said there is a lack of leadership which is evident in both houses and the vision is bad. He said people do not vote against schools but they vote against uncertainties. He reiterated that there would be 3,100 more students in the next 5 years and the economy is the worst he has ever seen in Catawba County.

Ms. Nancy Meek said she was disappointed but she felt that Mr. Stine Isenhower's comments were truthful. She is concerned about the bond passing and said the education systems have a huge drive in economic development. She said two bond failures would be devastating for Catawba County.

Commissioner Barnes said the Board at its July 8, 2002, meeting would be conducting a public hearing on the one-half cent sales tax that will sunset but counties are allowed to enact the one-half cent. The commissioners will vote to continue the half-cent sales tax to be returned to the county in lieu of reimbursements. She said the people prefer a sales tax increase as opposed to an increase in property tax. She said she met with the state representatives and asked them to take on the current school expenses so the county would have money to build schools. She said county government is at the bottom for state services. She said having previously been in the role of a school board member she knew that the school board members couldn't do the job they are being asked to do without the funding.

Mr. Stine Isenhower asked how much money a one-half cent tax would bring back to Catawba County?

Deputy County Manager Steve Wyatt said approximately \$4 – \$5 million.

County Manager J. Thomas Lundy said the advantage is the sales tax has the potential to grow over time or it could decrease.

Commissioner Barnes said in the new budget the reimbursements were budgeted and they will be escrowed until the money is received. If we do not receive the money that is 7 percent of Catawba County's total budget.

Mr. Warlick said that is a great idea if we get to keep the money. He asked if there were guarantees that the state would not hold the money. He said we couldn't control what the state does. He said general obligation bonds are the cheapest and everything else is beyond our control. He said putting off school bonds is the same as failing.

Vice Chair Huffman said she disagreed with Mr. Warlick. She thinks the public is aware of the needs.

Mr. Warlick asked what difference would six months or one year make? He said you have to do the work to get the people to vote on the bonds to pass or they fail.

Commissioner Barnes said she did not think it was possible to get a bond on the ballot within three months.

Mr. Warlick said he thinks it would be better than the long term. He said we have to invest in ourselves or who will?

Vice Chair Huffman said she agreed we have to invest in ourselves.

Dr. Kirkman said there was discussions about tax rates, standards, etc. He recommended that time and energy be invested to communicate what the money will be spent for. The long-range plan needs to tell voters about tax rates, evaluations and funding streams in conjunction with what the needs are.

Vice Chair Huffman said the people need more education about school needs.

Co Chair Ed Nolley said the committee has discussed, listened, and learned. He said the involvement of support is the key. He said we must educate the public on what the means are for the school systems in Catawba County. He urged the Board of Commissioners to develop a plan to get the momentum built up because if we wait it will be difficult.

Ms. Rita Busbee said the voter turn out in Catawba County has been very poor.

Vice Chair Huffman asked if there were others wishing to speak.

Mr. Phil Null addressed the group. He said he was one of the first four people assigned to look at ways to fund schools and take a clear look as possible at the failure of the last bond. The four asked to look at school funding were Ann Gaither, Charles Snipes, Dean Proctor, and himself. Early on in the process they were as responsible as anyone for putting the committee together. One of the appealing things was the creation of a large group of advocates. It was developed so people that knew more about education could serve on the committee and he is pleased with the work of the committee and the positive results. He said we must be positive and we must realize Catawba County is what it is because it has always had great leadership whether school boards or commissioners and we still have that leadership. From our adversary or failure will come opportunity and we will find a way. On the positive side he has met with people that has asked how they can help to pass the bond and how they can help in other ways. He said we are confused about our unemployment and our economic downturn. He asked what the furniture industry would be like in 5 to 10 years? Where will textiles be? What will happen to other businesses? What will be the status of the 7th to 11th greatest retail center in the state of North Carolina? The one thing he sees is taking more time to plan and prepare and get our campaign in the best possible order to eliminate the confusion. Every input we get will help us. He is looking forward to help sell the program. He said waiting for the right time and making it happen is very important.

3. At 4:35 p.m. there being no one else wishing to speak, Vice Chair Huffman made a motion to adjourn. The motion carried unanimously.

Marie H. Huffman, Vice Chair
Catawba County Board of Commissioners

Thelda B. Rhoney
County Clerk